

## II. REVENUE COLLECTIONS REPORT

### REVENUE COLLECTIONS THROUGH OCTOBER 2005

#### Introduction

GPR tax collections reported by DOR during the first four months of FY 2006 increased 11.8% over the comparable period of FY 2005 from \$2.970 billion to \$3.322 billion. During this period, individual income tax receipts increased 17.7% to \$1.81 billion, sales tax revenue increased 4.2% to \$1.08 billion, and corporate collections increased 13.9% to \$231.5 million.

However, the individual income tax growth is due to late or revised postings described in more detail below. Adjusting for this, the individual income tax growth would be 6.4%, and the total GPR revenue growth would be 6.2%.

Tax collections for the first four months of FY 2006 are summarized in Table II.1.

#### Individual Income Tax

Individual income tax collections during the first four months of FY 2006 increased 17.7% to \$1.81 billion from \$1.537 billion in FY 2005. Through October, withholding payments, the largest source of payments, were up 18.6% as compared to a year ago from \$1.336 billion to \$1.584 billion. However, this increase is driven in large part by two distortions. First the FY 2005 withholding payments do not include a \$90.9 million posting which although due at the end of October was posted to November. Second, the FY 2006 withholding payments include a \$77 million posting for an accrual correction related to the prior year. Adding the \$90.9 million collection to FY 2005 and excluding the \$77 million posting in FY 2006 provides a more appropriate comparison across the years. After making these adjustments, withholding collections to date increased 5.6% over FY 2005, and total individual income tax collections increased 6.4 % over last year's levels.

Estimated payments made through October increased 10.3% from \$198.1 million to \$218.6 million.

#### General Sales and Use Tax

Sales tax collections for the first four months of FY 2006 increased 4.2% over the comparable period of FY 2005 from \$1.037 billion to \$1.080 billion.

#### Corporation Franchise and Income Tax

For the first four months of FY 2006, collections increased 13.9% from \$203.3 million to \$231.5 million. The largest source of corporate income tax payments, declaration payments, increased 19.6% from \$175.2 million in FY 2005 to \$209.5 million this year.

#### Public Utility Taxes

Utility tax collections for the first four months of FY 2005 decreased to \$1.3 million. Since most utility taxes are collected in May and November, the decrease in collections for the first four months of FY 2006 is not meaningful.

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### **Excise Taxes**

*Cigarette* tax collections during the first four months of FY 2006 were approximately the same from the comparable period of FY 2005, increasing only .28% from \$79.6 million to \$79.8 million.

*Tobacco products* tax collections through October have decreased 1.6% from \$4.29 million to \$4.22 million.

*Liquor and wine* collections increased 14.95% for the first four months of FY 2006 from \$9.7 million to \$11.1 million.

*Beer* tax collections through October have increased 6.4% from \$2.58 million to \$2.74 million.

### **Estate Taxes**

Estate tax collections during the first four months of FY 2006 have increased 12.7% from \$40.6 million to \$45.8 million. Collections from this tax source are highly volatile.

### **Insurance Company Taxes**

Insurance company tax collections increased 3.9% from \$29.4 million to \$30.5 million.

### **Real Estate Transfer Fee**

Real estate transfer fee collections have increased 11.1% from \$21.8 million to \$24.2 million.

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TABLE II.1  
COMPARISON OF JULY - OCTOBER DEPARTMENT OF REVENUE  
ACTUAL TAX RECEIPTS  
(\$ Thousands)

Tax Source	First Four Months Of:		% Change
	FY 2005	FY 2006	
Individual Income	\$1,537,276	\$1,810,038	17.7%
General Sales and Use	1,037,229	1,080,474	4.2%
Corporation Franchise & Income	203,328	231,528	13.9%
Excise			
Cigarette	79,609	79,835	0.3%
Tobacco Products	4,290	4,221	-1.6%
Liquor	9,662	11,107	15.0%
Beer	2,575	2,741	6.4%
Inheritance, Estate & Gift	40,639	45,787	12.7%
Public Utility	4,650	1,280	-72.5%
Insurance	29,380	30,517	3.9%
Real Estate Transfer	21,768	24,181	11.1%
TOTAL	\$2,970,406	\$3,321,708	11.8%

Note: Detail may not add to totals because of rounding, and percent changes were calculated before rounding.